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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF DAVID P. SCOLLARD
BEFORE THE TENNESSEE REGULATORY AUTHORITY
DOCKET NO. 9700309
JULY 22, 2002

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
BELLSOUTH TELECOMMUNICATIONS, INC.

A. I am David P. Scollard, Room 28A1, 600 N. 19th St., Birmingham, AL 35203. My
current title is Manager, Wholesale Billing at BellSouth Billing, Inc. (BBI), a wholly
owned subsidiary of BellSouth Telecommunications, Inc. (“BellSouth”). In that role,
I am responsible for overseeing the implementation of various changes to BellSouth’s
Customer Records Information System (CRIS) and Carrier Access Billing System
(CABS).

Q. ARE YOU THE SAME DAVID SCOLLARD THAT FILED DIRECT
TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

1 A. The purpose of my rebuttal testimony is to address issues raised by AT&T and
2 Covad in this proceeding regarding BellSouth's billing system including its invoices
3 and Daily Usage Files (DUFs).

4
5 Q. AT&T ALLEGES THAT BELL SOUTH DOES NOT COMPLY WITH ITS
6 OBLIGATION TO PROVIDE NONDISCRIMINATORY ACCESS TO OSS,
7 SPECIFICALLY BILLING. PLEASE RESPOND.

8
9 A. AT&T's allegations are incorrect. BellSouth meets its Checklist 2 obligations. Not
10 only does BellSouth reach this conclusion, but this is the same conclusion reached by
11 the Public Service Commissions of Georgia, Louisiana, North Carolina, South
12 Carolina, Kentucky, Mississippi and Alabama. More to the point, this is the same
13 conclusion that the FCC reached in approving BellSouth's Georgia and Louisiana
14 applications for authority to provide interLATA long distance service that originates
15 in those states.

16
17 Q. WHAT ISSUES DID AT&T RAISE REGARDING BELL SOUTH'S DAILY
18 USAGE FILES AND WHOLESALE BILLS?

19
20 A. On page 19 of his testimony, AT&T witness Bradbury claims that BellSouth's daily
21 usage files and wholesale bills contain numerous errors that include:

- 22
23 • Billing AT&T several hundred thousand dollars for originating switching
24 charges even when the traffic originates on AT&T's switch
25 • Billing AT&T monthly for one time charges associated with collocations

- 1 • Failing to bill AT&T for local minutes of use for a six month period
- 2 • Sending AT&T bills on new accounts with past due balances
- 3 • Sending retail bills to AT&T
- 4 • Assessing late payment charges against AT&T when payment on bills was
- 5 not overdue as defined by the parties' Interconnection Agreement.

6

7 Notably, AT&T did not provide sufficient evidence to substantiate these claims,
8 but rather chooses to rely on cursory allegations. The Authority should reject
9 such allegations.

10

11 Q. ARE ANY OF THESE CLAIMS RELATED TO DAILY USAGE FILE
12 PROBLEMS?

13

14 A. No. Not to my knowledge.

15

16 Q. PLEASE RESPOND TO THE ABOVE CLAIMS THAT AT&T HAS
17 EXPERIENCED NUMEROUS BILLING ERRORS.

18

19 A. In assessing the validity of AT&T's claim of numerous billing errors, BellSouth
20 compared AT&T's disputes to the CABS billing for the time period. According to
21 AT&T's own numbers, since January 2001, it has disputed \$1M of CABS and
22 CRIS billing, excluding issues that have been escalated regarding the interpretation of
23 the Interconnection Agreement and settlement. During that same period, the CABS
24 billing for AT&T's TPM ACNA (Access Carrier Name Abbreviation) is
25 approximately \$69M. The percentage of billing that has been disputed by AT&T,

1 therefore, is approximately 1.5% of the total billing. This means, of course, that
2 BellSouth billing is approximately 98.5% accurate. BellSouth does not minimize the
3 value of \$1 million, and BellSouth is committed to work diligently with AT&T to
4 resolve those billing disputes. When compared to the total bills of \$69 million,
5 however, it appears AT&T has exaggerated these billing issues in its testimony, and
6 it hardly can be said that these alleged issues deprive AT&T and other CLECs of a
7 meaningful opportunity to compete.

8

9 Q. PLEASE ADDRESS AT&T'S ISSUE REGARDING BILLING OF
10 ORIGINATING SWITCHING CHARGES WHEN THE TRAFFIC
11 ORIGINATES ON AT&T'S SWITCH.

12

13 A. BellSouth correctly bills some originating usage to AT&T because AT&T has
14 acquired a CLEC that has end users who originate traffic and who have chosen
15 AT&T as their Presubscribed Interexchange Carrier (PIC). This CLEC's ACNA is
16 TPM. BellSouth has identified these customers and notified AT&T that TPM is
17 allowed 1+dialing. However, AT&T continues to claim that this usage is
18 inappropriate. While BellSouth disagrees with AT&T's position, BellSouth will
19 continue to work with AT&T to resolve this issue.

20

21 BellSouth is also currently working with AT&T to identify the cause of other
22 originating usage being billed to AT&T. BellSouth has provided AT&T many
23 reports that are being used in this investigation and will continue to work with AT&T
24 through the CLEC Customer Care team to resolve this issue.

25

1 Q. PLEASE ADDRESS AT&T'S ISSUE REGARDING BELL SOUTH BILLING
2 AT&T MONTHLY FOR ONE-TIME CHARGES ON COLLOCATION.

3

4 A. In anticipation of disputes involving billing issues, BellSouth and AT&T agreed to a
5 process for the resolution of all such issues and included provisions outlining this
6 process in the Billing Dispute section of the Interconnection Agreement between the
7 parties. BellSouth continues to operate in good faith in accordance with the relevant
8 provisions of the Interconnection Agreement in resolving all billing disputes including
9 those related to collocation. In the past, there have been cases where BellSouth has
10 changed the rate structure for a collocation rate element from nonrecurring to
11 recurring. BellSouth sought to reduce collocation prices by eliminating its ICB
12 (individual case basis) pricing for space preparation and replacing/reducing other
13 nonrecurring rates with the introduction of monthly recurring rates in their place. In
14 the case where a CLEC has already paid in full for the rate element on a one-time
15 nonrecurring basis under a previous agreement then signs a new agreement
16 subsequent to the element's restructure to a monthly recurring format, the rate
17 element will remain on the customer's bill but should be zero-rated. However, in
18 some instances, BellSouth failed to zero-rate the element on AT&T's bill and caused
19 over-billing for the element. In each of these instances, BellSouth has either credited
20 AT&T for the over-billing or is currently working with AT&T to resolve the issue
21 through the billing dispute process.

22

23 Q. PLEASE ADDRESS AT&T'S ISSUE ON BELL SOUTH FAILING TO BILL
24 AT&T FOR A SIX-MONTH PERIOD.

25

1 A. BellSouth inadvertently converted AT&T accounts in all states, except Alabama, to
2 Bill and Keep which resulted in BellSouth failing to bill AT&T for local minutes in
3 these states for several months. Once this error was realized, BellSouth provided
4 AT&T with information containing the unbilled minutes, and also communicated to
5 AT&T its proposal that this error be trued-up along with a true-up provision
6 expressly contained in the Parties Interconnection Agreement on this same type of
7 traffic. The Local Interconnection attachment of the BellSouth and AT&T
8 Interconnection Agreement states in section 5.3.1.1 that:

9
10 “For the treatment of local and ISP-bound traffic in this Agreement, the
11 Parties agree to implement the FCC’s Order on Remand and Report and
12 Order in CC Docket No. 96-98 and 99-68 released April 27, 2001. The
13 Parties further agree to amend this agreement, within sixty (60) days of
14 execution, to incorporate language reflecting the FCC ISP Order on
15 Remand. At such time as that amendment is finalized, the Parties agree to
16 work cooperatively to “true-up” compensation amounts consistent with the
17 terms of the amended language from the effective date of the FCC ISP
18 Order in Remand to the date the amendment is finalized.”

19
20 BellSouth and AT&T are currently working on this true-up.
21

22 Q. PLEASE RESPOND TO AT&T’S CLAIM THAT BELL SOUTH HAS SENT
23 AT&T BILLS FOR NEW ACCOUNTS WITH PAST DUE BALANCES?
24
25

1 A. In some instances, BellSouth has inadvertently sent AT&T bills for new accounts
2 with past due balances. These instances are all the result of human error and are not
3 problems with the billing system itself. Although AT&T provides no specifics to
4 substantiate its allegations, BellSouth assumes AT&T is referring to a situation in
5 which AT&T accounts that are established in the wrong bill period by BellSouth.
6 AT&T accounts should be established in the 4th bill period, however, as a result of
7 human error, BellSouth has inadvertently set up some AT&T accounts in other bill
8 periods. In these cases, invalid past due balances may be billed to AT&T.
9 BellSouth is currently in the process of developing a plan to correct this problem and
10 is working with AT&T to reconcile the affected accounts. Again, this assignment of
11 an incorrect bill period was the result of human error, and does not evidence any
12 systemic issues with BellSouth's billing system or processes.

13
14 Q. PLEASE ADDRESS AT&T'S CLAIM THAT BELL SOUTH SENDS AT&T
15 RETAIL BILLS.

16
17 A. In a meeting on June 28, 2002 between BellSouth and AT&T, BellSouth agreed to
18 investigate the validity of the charges for some of AT&T's retail accounts and the
19 reason bills for these accounts were being sent to AT&T's Alpharetta, Ga. billing
20 address. BellSouth's investigation revealed that the charges on these accounts were
21 all valid, and the billing address that appears on the bills is the one that was provided
22 to BellSouth by AT&T. Exhibit DPS-R1 contains the information that BellSouth
23 provided to AT&T on July 18, 2002 regarding the results of the investigation.

24
25

1 Q. PLEASE ADDRESS AT&T'S CLAIM THAT BELL SOUTH ASSESSED LATE
2 PAYMENT CHARGES AGAINST AT&T WHEN PAYMENT ON BILLS
3 WAS NOT OVERDUE AS DEFINED IN THE PARTIES'
4 INTERCONNECTION AGREEMENT.

5

6 A. BellSouth has addressed AT&T's late payment charge (LPC) disputes with AT&T.
7 Where LPCs were applied inappropriately, credits were issued. BellSouth denied
8 disputes where AT&T's past due balances generated valid LPCs, but AT&T did not
9 close the disputes. On June 28, 2002, AT&T clarified that they believed the LPCs
10 were being calculated on their past due balances incorrectly. BellSouth has verified
11 that the LPCs are being calculated in accordance with the Interconnection
12 Agreement.

13

14 Q. DOES AT&T DISCUSS ANY OTHER BILLING ISSUES IN ITS DIRECT
15 TESTIMONY?

16

17 A. Yes. AT&T claims that BellSouth has not been responsive in resolving billing
18 problems.

19

20 Q. PLEASE RESPOND TO THESE CLAIMS REGARDING BELL SOUTH'S
21 RESPONSIVENESS IN RESOLVING BILLING PROBLEMS.

22

23 A. The first claim involves an AT&T billing dispute related to the LPC issue discussed
24 above. This dispute was filed by AT&T in September 2001 and was not denied by
25 BellSouth until June 2002. Although BellSouth and AT&T meet each month to

1 discuss AT&T's disputes, this particular dispute was for a relatively small amount of
2 money and was prioritized lower than other disputes discussed in these meetings.
3 The LPC associated with this dispute was a legitimate charge generated by the billing
4 system as a result of an unpaid balance. AT&T did not agree to close the claim even
5 when BellSouth responded. This claim remains open while AT&T investigates the
6 unpaid balance.

7

8 The second claim cited in AT&T's testimony involves a dispute related to the
9 originating usage issue discussed above. This dispute was filed in December 2001.
10 BellSouth had been investigating this dispute as a part of another issue involving
11 interstate usage. Unfortunately, this issue has been difficult and the claim has not yet
12 been resolved. Over the past months, BellSouth has provided AT&T with many
13 reports and a great deal of information to determine what type of traffic caused the
14 originating /interstate usage. AT&T was unsatisfied with any of BellSouth's efforts.
15 This issue will not be resolved until the usage that drives the billing is identified.
16 Today, the CLEC Care team that works directly with AT&T is handling this issue.

17

18 BellSouth cannot verify AT&T's third claim. BellSouth's dispute mailbox is set to
19 send an auto-reply to customers as an acknowledgement of receipt. In addition,
20 BellSouth and AT&T hold monthly meetings to discuss billing disputes. At these
21 meetings, open disputes are calibrated to insure that they are being considered and
22 prioritized appropriately.

23

24 Q. IN YOUR OPINION, IS BELL SOUTH'S BILLING SYSTEM RELIABLE AND
25 ACCURATE?

1

2 A. Yes.

3

4 Q. HAVE YOU PROVIDED ANY ADDITIONAL INFORMATION TO
5 SUPPORT THIS POSITION?

6

7 A. Yes. Additional information may be found in the attached affidavit, Exhibit DPS-R3
8 that I filed with the FCC on June 20, 2002 in support of BellSouth's application to
9 provide Long Distance service in Alabama, Kentucky, Mississippi, North Carolina
10 and South Carolina, which I hereby incorporate by reference.

11

12 Q. WHAT ISSUE DOES COVAD RAISE ABOUT BELL SOUTH'S BILLING
13 SYSTEM?

14

15 A. On page 10 of her direct testimony, Covad witness Davis claims that when a Line
16 Share Loop order is placed, BellSouth does not relate the two internal service
17 orders that are generated, and as a result, Covad is often billed for up to three days
18 before the loop has actually been delivered to Covad.

19

20 Q. PLEASE RESPOND TO THIS CLAIM.

21

22 A. BellSouth has billed Line Share early in some instances. When a Line Share Local
23 Service Request (LSR) is submitted, two separate orders are generated. A Record
24 order is generated in CABS for billing of the Data Local Exchange Carrier (DLEC);
25 and a Change order is generated in CRIS to perform the Line Share end user

1 activation on the residence or business account. Both orders are given the same due
2 date; however, there have been some instances, as a result of order due date
3 changes, where the billing order completes before the provisioning order.

4
5 It is certainly not the norm for early billing to occur with BellSouth's Line Share
6 service or any other service, however, when early billing does occur, the amount is
7 minimal. The monthly recurring charge associated with Line Share service is only
8 \$0.61 per line. If a customer such as Covad has been billed \$0.02, \$0.04, or \$0.06
9 for service that is one, two, or three days early, respectively, they should submit a
10 billing dispute, and BellSouth will adjust their bill.

11
12 Q. WHAT EFFORTS HAVE BEEN MADE TO ADDRESS THIS EARLY
13 BILLING PROBLEM?

14
15 A. Covad has submitted Change Control Process (CCP) issue 0779 through the
16 Change Review Board. In addition, BellSouth, through its internal process, has
17 opened Harvest CCC feature 21915 as well as a Service Order Communication
18 System (SOCS) request in an effort to correct this problem. The SOCs portion of
19 this request is scheduled for completion by August 31, 2002. The remaining portion
20 is expected to involve major programming changes for which user requirements are
21 still being developed. The completion date for this remaining portion of the request
22 has not yet been set. However, once completely implemented, the above request
23 will allow BellSouth's DLEC customers to perform subsequent activity on their Line
24 Share LSRs after the Record order has completed. These customers will be
25 allowed to perform supplemental activity on Line Share provisioning orders that have

1 not yet completed. DLECs will be able to change due dates, cancel orders, etc., and
2 BellSouth will use this additional information to act accordingly and credit the
3 customers when necessary before the customers are billed. In instances where the
4 supplemental activity is done on or near the bill period date and BellSouth is not able
5 to credit the customer before billing, BellSouth will apply a credit for the early billing
6 to the customer's next bill.

7

8 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

9

10 A. In summary, the issues raised by the CLECs in this proceeding are not global
11 problems that constitute Section 271 issues. These are billing disputes that arise
12 from AT&T's Interconnection Agreement. The CLECs provide, at most, some
13 exceptional cases where something went wrong with individual transactions that
14 appeared on the bills that BellSouth provided. While BellSouth is concerned with
15 every case where billing has not taken place to perfection, these examples are a far
16 cry from showing a systematic problem that places CLECs at a competitive
17 disadvantage to BellSouth. BellSouth is proud of its accomplishments in the area of
18 billing and provides a quality billing service to all of its customers.

19

20 Q. HAVE YOU PROVIDED A LISTING OF THE ACRONYMS THAT APPEAR
21 IN YOUR TESTIMONY?

22

23 A. Yes. Please see my Exhibit DPS-R2.

24

25 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

1

2 A. Yes.

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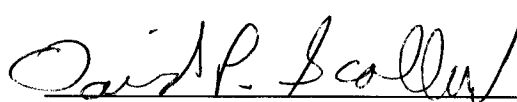
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AFFIDAVIT

STATE OF: Alabama
COUNTY OF: Jefferson

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared David P. Scollard –Manager- Wholesale Billing, BellSouth Billing Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 97-00309 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 13 pages and 3 exhibit(s).



David P. Scollard

Sworn to and subscribed
before me on July 12, 2002


NOTARY PUBLIC

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 28, 2004
BONDED THRU NOTARY PUBLIC UNDERWRITERS